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DIRECTORATE OF  
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DIA and DOS review(s) completed.

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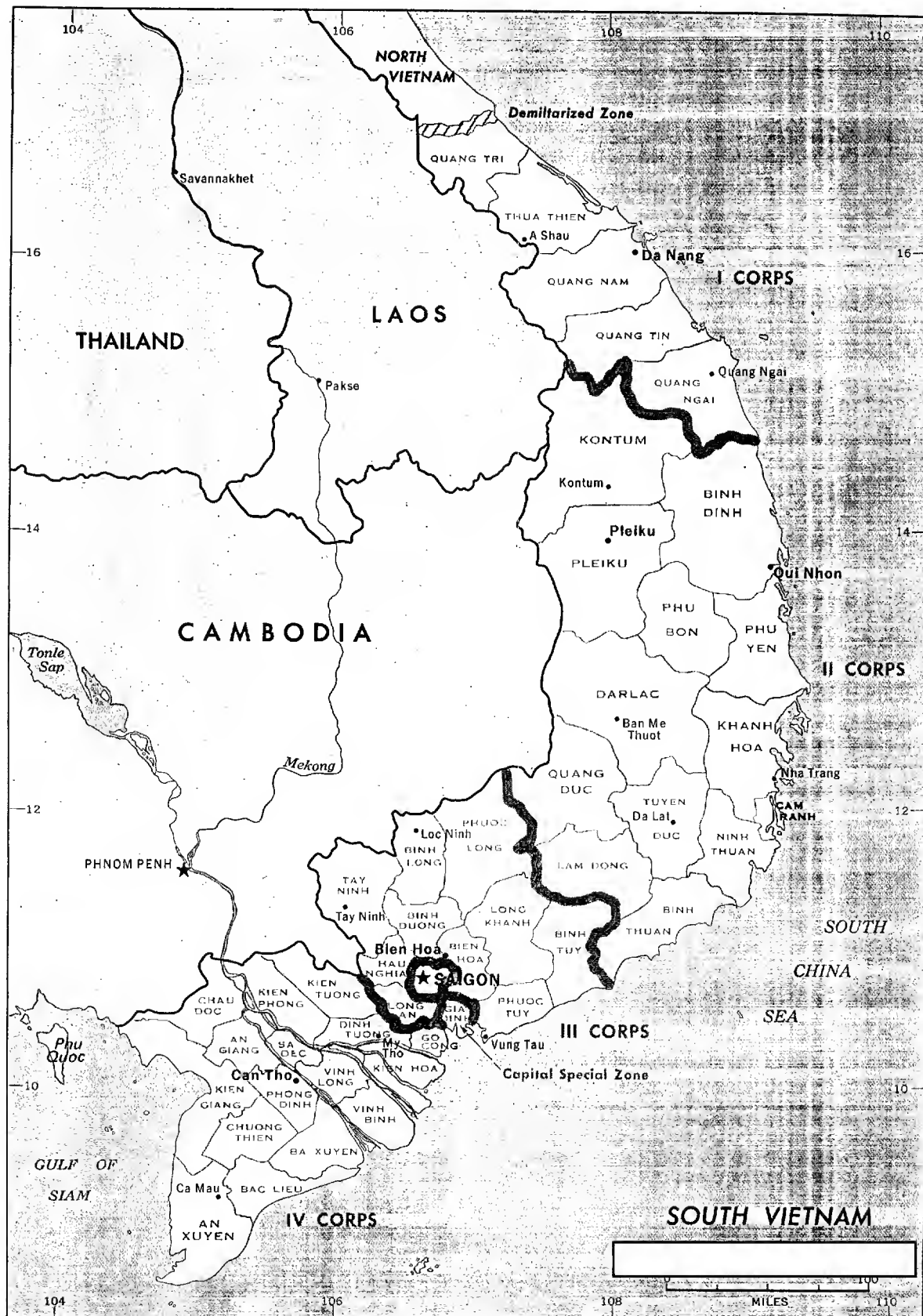
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South Vietnam: Ground fighting on 27-28 October was limited to scattered clashes in the provinces near Saigon.

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The total number of persons currently imprisoned or detained in South Vietnam is estimated at around 67,000. This figure includes military prisoners of war (POWs), government military prisoners, civilian prisoners, and detainees. This is a considerable increase over past years and is due to the larger number of enemy captured or arrested this year and to efforts by the government to apply more effective punitive measures.

From 1965 through September 1968, allied forces captured approximately 19,600 Viet Cong and North Vietnamese Army soldiers, according to government figures. Over 9,400 of these were captured between October 1967 and September 1968. At least 19,000 remain in POW camps. Major POW camps are located at Da Nang, Pleiku, Qui Nhon, Bien Hoa, and Can Tho cities, and on Phu Quoc Island in the Gulf of Siam.

Saigon is in the process of moving the bulk of its military POWs from mainland camps to the large new prison compound being built on Phu Quoc. The transfer will ease the government's task of guarding the growing numbers of Communist prisoners, because they will be isolated from the mainland and out of reach of enemy forces seeking to free them. At present, over 13,000 are incarcerated on the island.

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Czechoslovakia-USSR: Czechoslovak youths demonstrated in Prague yesterday without provoking reprisals from the occupation troops.

A crowd of students and young workers that fluctuated between 1,000-3,000 marched from the center of Prague to Hradcany Castle, the presidential residence, where Czechoslovak leaders were hosting a reception on the 50th anniversary of the first republic. The demonstrators, defying a ban of public assemblies on the anniversary, filtered through several police barriers en route to the castle. No Soviet troops were seen in the area, although Soviet Army staff cars monitored the progress of the march.

Several hundred youths demonstrated in downtown Prague in the afternoon. They proceeded toward the Soviet Embassy, but were repelled by police who threatened to use clubs and make arrests if the demonstrators went any further. [In the evening, an estimated 3,000 demonstrators gathered in the vicinity of Prague's National Theater, where Dubcek and Svoboda attended a special performance.]

In an effort to project an image of political normalcy, the Soviets gave the anniversary standard treatment in the press. A brief congratulatory message from Soviet President Podgorny to President Svoboda appeared in Pravda. In addition, Izvestia on 27 October carried an article on the anniversary by Premier Cernik, and Pravda printed a similar article by Svoboda yesterday. Both articles contained a subdued defense of Dubcek's liberal policies and refrained from mentioning the invasion.

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The USSR has allocated 1.6 million tons of grain to meet Czechoslovakia's requirements for 1969, 300,000 tons more than the quota for 1968. Approximately one fourth of this amount, however, will be

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sent by the end of 1968. Although Radio Prague alleges that these additional imports will eliminate Czechoslovakia's dependence on grain from capitalist countries and thus save foreign exchange, it is likely that feed-grain imports from the West will continue.

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Luxembourg: Prime Minister Werner is expected to submit the resignation of his governing coalition of Christian Socialists and Socialists today.

The immediate cause is pressure from Socialist trade union leaders for higher wages and greater welfare benefits than the government believes it can afford. Werner is also reportedly "fed up" because his Socialist partners continue to seek public favor on such issues at the expense of his party, which has usually taken a conservative stand.

Werner probably will ask that elections be held soon, most likely around 15 December. The US Embassy expects that Werner's Christian Socialists may lose a few seats, while the Socialists will hold steady.

If the election turns out this way, the Christian Socialists may let the Socialists form a minority government. Werner and other party leaders are said to believe that their party, after decades of being in the government, needs a period of opposition in which to recoup.

[REDACTED]

[REDACTED]

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Western Europe: The admission of Britain's three major parties to Jean Monnet's Action Committee for the United States of Europe will give the British bid for European Community (EC) membership a psychological boost at a time when other avenues toward progress are poor.

Leaders of the major non-Communist political parties and trade unions in all the EC countries, except for the Gaullists in France, are represented on the committee, which was formed in 1955. Although the committee has not had a decisive impact on the unity movement, it is the major private pressure group involved. The British membership affirms a full commitment of all three major parties to a federally united Europe. The parties' membership will also help remove suspicions on the continent of possible future backsliding from that commitment. Moreover, the committee's proposed study of the practical problems of British entry into the EC keeps the specific issues alive at a time when the French have prevented any official consideration.

The Monnet committee's invitation and the British parties' acceptance have produced a highly favorable reaction on both sides of the channel. The London Times notes that the committee will provide a "procedure for serious discussion of the real problems by leading figures in all seven countries"; Le Monde describes the Monnet action as a "major change" regarding British entry. According to the US Embassy in Paris, the French press has given prominent play to this initiative, indicating that there is considerable French support for British entry despite the government's opposition.

[REDACTED]

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Peru: Traditional service rivalries have caused the first open break in the unity of the new revolutionary government. On 24 October, the minister of aviation, a member of the original three-man junta, resigned, apparently as a result of a dispute over air force promotion policies.

The Peruvian armed services have always been suspicious of each other, and the army's unilateral action in overthrowing President Belaunde aggravated this feeling. President Velasco has been able to maintain personal control over the government and to prevent service difficulties from hampering its operations so far, but bickering among the military will continue to be a major problem.

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Israel: The heavy casualty toll over the weekend on the Suez, Jordanian, and Syrian fronts has come as a shock to the Israeli public. There appears to be a widespread public feeling that the Israeli defense forces must take action, in addition to Saturday's shelling of the Egyptian refinery, to relieve the Egyptians of the illusion that they can create incidents in the canal area with impunity. The newspaper Davar, which is close to the ruling Labor Party coalition, and the independent but influential Haaretz both call for retaliation. [REDACTED]

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Netherlands: The government announced last week that it will buy 415 Leopard tanks from West Germany. The contract probably will amount to about \$100 million. The Leopard, which was chosen over the US-German MBT-70 and the British Chieftain, will replace almost two thirds of the Centurions currently in the Dutch inventory. A Dutch official claims that the MBT-70 is too big, too heavy, too complicated, and too expensive for the Royal Netherlands Army. In addition, the Dutch want new tanks as soon as possible; delivery of the Leopards is to be completed by mid-1970. [REDACTED]

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UN-Korea: Marathon negotiations have produced a compromise arrangement for scheduling debate on the Korea question in the General Assembly's main political committee. The committee has resisted Soviet pressure to deal immediately with the question of inviting North Korea to attend the debate, and instead will interrupt the debate on disarmament in late November to decide the invitation issue. Two weeks later it will take up the substantive Korea question. The compromise gives those opposing North Korea's seating a chance to develop support for their resolution, which conditions an invitation to North Korea on Pyongyang's willingness to accept UN competence to deal with Korean affairs. [REDACTED]

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Mozambique - South Africa: [REDACTED]

[REDACTED] at least two and probably six Vampire jet fighters with Portuguese markings on a Mozambique airfield in early September. This is the first hard evidence of the Portuguese using Vampires in Africa; the Portuguese have tried hard for several years to augment their meager inventory of jets to combat insurgency. The British-designed Vampires probably come from South Africa, which now is assembling more modern jets. [REDACTED]

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